



Investor Presentation

First Quarter 2023

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Forward-Looking Statements

The information furnished in this presentation contains “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements include, but are not limited to, the impact of actions taken by the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC nations to adjust their production levels, the impact of the COVID-19 pandemic and the effects thereof, the general volatility of oil and natural gas prices and cyclicity of the oil and gas industry, declines in investor and lender sentiment with respect to, and new capital investments in, the oil and gas industry, project terminations, suspensions or scope adjustments to contracts, uncertainties regarding the effects of new governmental regulations, the Company’s international operations, operating risks, the impact of our customers and the global energy sector shifting some of their asset allocation from fossil-fuel production to renewable energy resources, goals, projections, estimates, expectations, market outlook, forecasts, plans and objectives, including revenue and new product revenue, capital expenditures and other projections, project bookings, bidding and service activity, acquisition opportunities, forecasted supply and demand, forecasted drilling activity and subsea investment, liquidity, cost savings, and share repurchases and are based on assumptions, estimates and risk analysis made by management of Dril-Quip, Inc. (“Dril-Quip”) in light of its experience and perception of historical trends, current conditions, expected future developments and other factors. No assurance can be given that actual future results will not differ materially from those contained in the forward-looking statements in this presentation.

Although Dril-Quip believes that all such statements contained in this presentation are based on reasonable assumptions, there are numerous variables of an unpredictable nature or outside of Dril-Quip’s control that could affect Dril-Quip’s future results and the value of its shares. Each investor must assess and bear the risk of uncertainty inherent in the forward-looking statements contained in this presentation.

Please refer to Dril-Quip’s filings with the Securities and Exchange Commission (“SEC”) for additional discussion of risks and uncertainties that may affect Dril-Quip’s actual future results. Dril-Quip undertakes no obligation to update the forward-looking statements contained herein.

Use of Non-GAAP Financial Measures

Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA and Free Cash Flow are non-GAAP measures. Adjusted Net Income and Adjusted Diluted EPS are defined as net income (loss) and earnings per share, respectively, excluding the impact of foreign currency gains or losses as well as other significant non-cash items and certain charges and credits. Adjusted EBITDA is defined as net income excluding income taxes, interest income and expense, depreciation and amortization expense, stock-based compensation, non-cash gains or losses from foreign currency exchange rate changes as well as other significant non-cash items and items that can be considered non-recurring. Free Cash Flow is defined as cash provided by operating activities less cash used in the purchase of property, plant and equipment. We believe that these non-GAAP measures enable us to evaluate and compare more effectively the results of our operations period over period and identify operating trends by removing the effect of our capital structure from our operating structure and certain other items including those that affect the comparability of operating results. In addition, we believe that these measures are supplemental measurement tools used by analysts and investors to help evaluate overall operating performance, ability to pursue and service possible debt opportunities and make future capital expenditures. These measures do not represent funds available for our discretionary use and are not intended to represent or to be used as a substitute for net income or net cash provided by operating activities, as measured under U.S. generally accepted accounting principles (“GAAP”). Non-GAAP financial information supplements should be read together with, and is not an alternative or substitute for, our financial results reported in accordance with GAAP. Because non-GAAP financial information is not standardized, it may not be possible to compare these financial measures with other companies’ non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measure can be found in the appendix.

Use of Website

Investors should note that Dril-Quip announces material financial information in SEC filings, press releases and public conference calls. Dril-Quip may use the Investors section of its website (www.dril-quip.com) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. Information on Dril-Quip’s website is not part of this presentation.



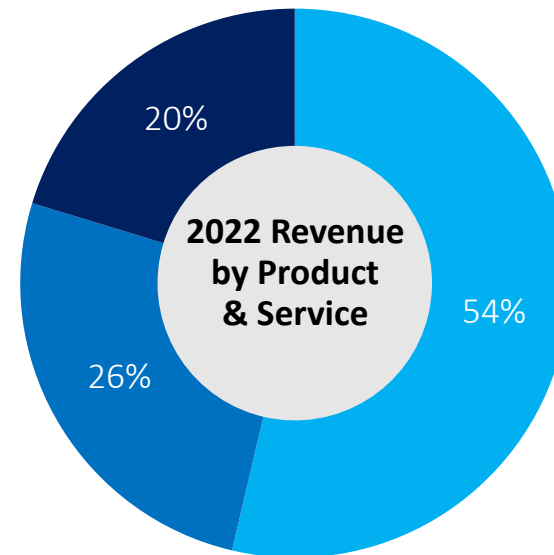
About Us



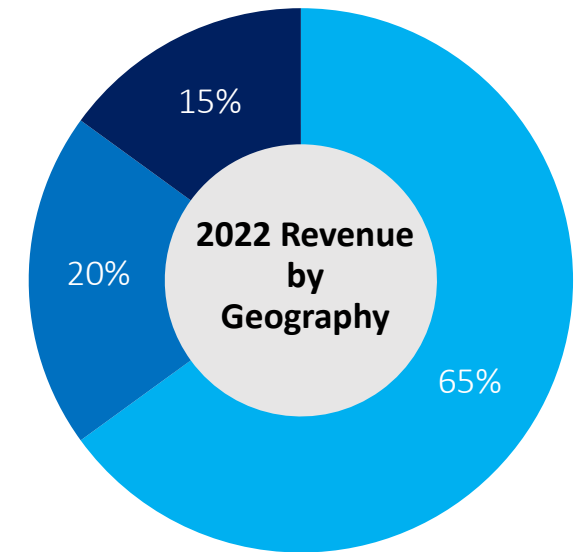
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Dril-Quip, Inc. is a leading developer of innovative technologies for the energy industry, designing and manufacturing best-in-class products for traditional oil and gas, and certain energy transition applications.

\$885M	Market Cap ¹
Houston, TX	Headquarters
\$362.1 Million	2022 Revenue
NYSE since 1997	DRQ
Operations	18 Countries
Global Employees	+1,000



- Subsea Products
- Subsea Services
- Well Construction



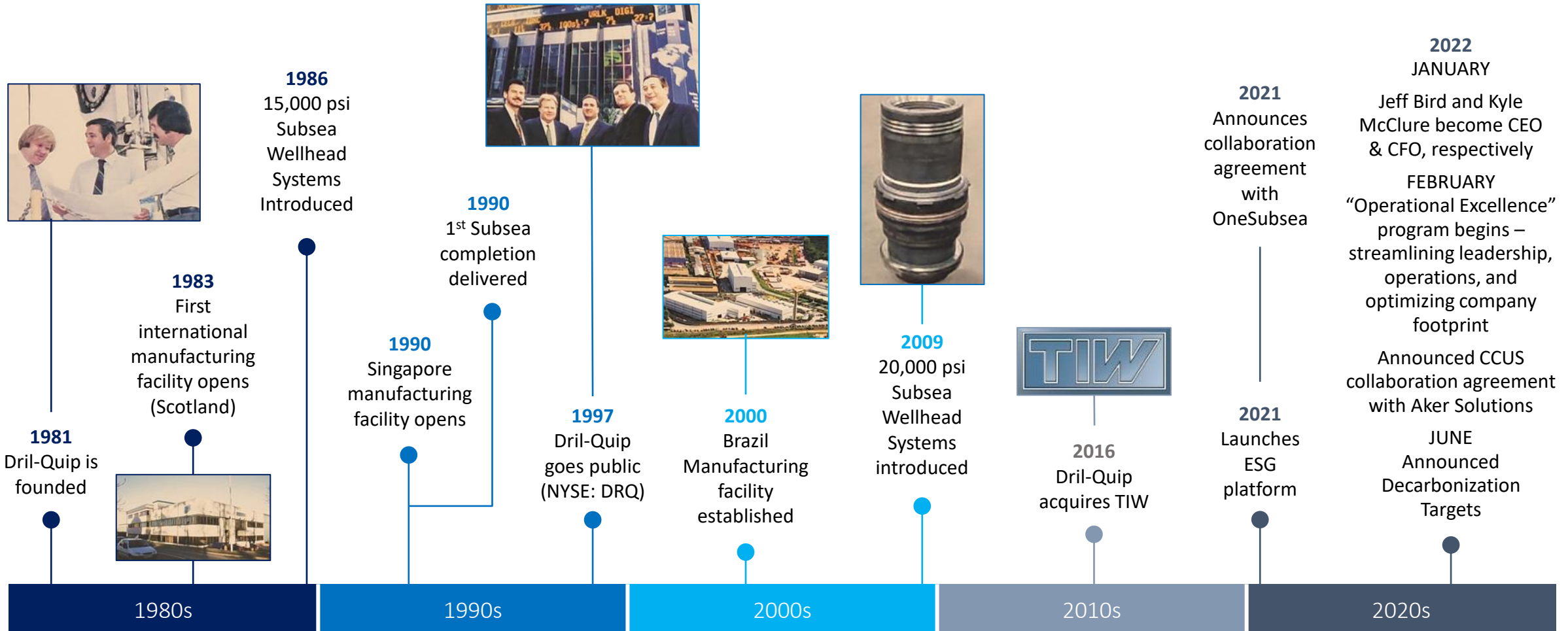
- Western Hemisphere
- Eastern Hemisphere
- Asia Pacific

Notes: As of 5/1/23

Our History | Dril-Quip Over the Years



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Dril-Quip provides a balanced investment proposition to growth and value investors, supported by a long history of commanding premium valuation.



Leader in Design & Manufacturing

Manufacturer of highly engineered drilling & production equipment



Footprint in Key Offshore Drilling Markets

Competing in attractive long-term growth markets



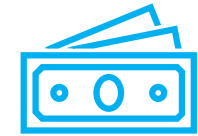
Organizational Alignment

Small, self-contained teams that share a common strategy and control of own destiny



Strong Financial Profile

Continued progression on key organic initiatives that will drive profitable growth



Attractive Balance Sheet

One of very few oilfield service companies with balance sheet optionality

Dril-Quip is well positioned to serve the needs of the global energy industry with major manufacturing facilities in the United States (Texas), Scotland, Brazil and Singapore; and service facilities in Australia, Ecuador, Mexico, Norway, China, Egypt, Saudi Arabia, Ghana, and Qatar.



- Engineering, Manufacturing, Sales & Service
- Sales and/or Service
- Sales Representatives

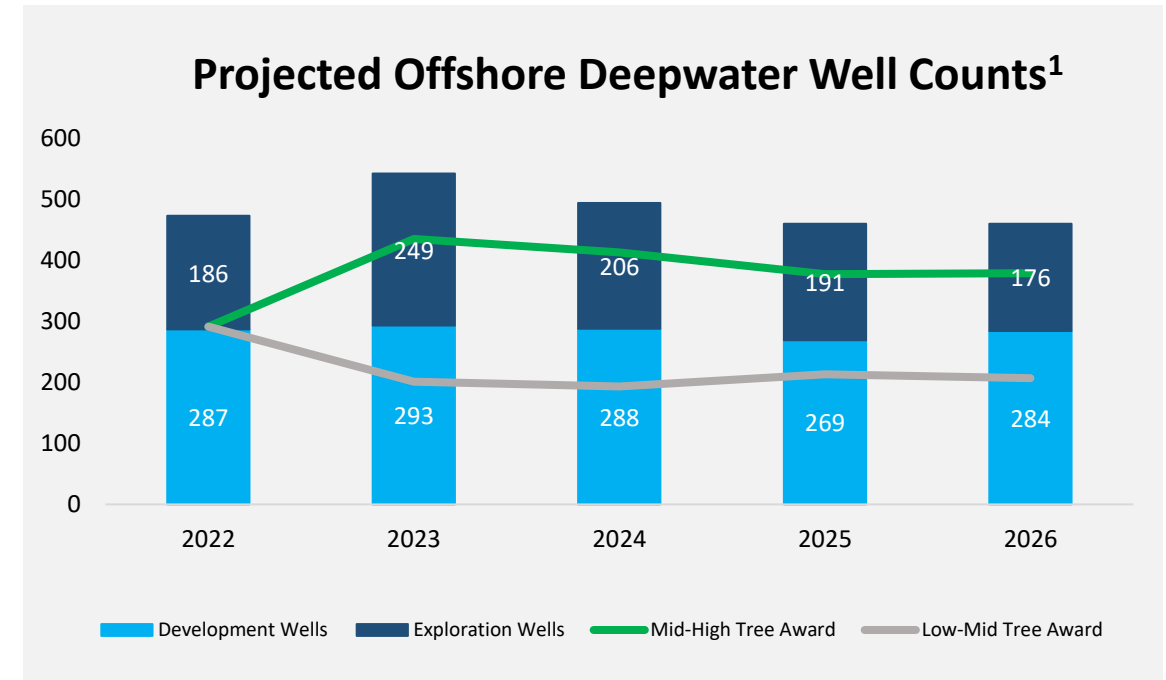
Customers | Extensive Customer Portfolio

Our products are used by major integrated, independent, and foreign national energy companies throughout the world, and we are known for solving customers' most challenging problems with equipment that performs reliably, safely, and cost-effectively in deepwater, harsh environments, and severe service applications.



Increasing tender volume and average quote value remains above pre-pandemic levels

- Compelling supply and demand fundamentals in traditional energy requirements and energy transition needs
- Supportive commodity prices and stability favorable for durable investment
- Oil & Gas demand is strong and showing resilience in uncertain economic conditions regionally
- International Energy Agency forecast Oil & Gas demand growth of 2.0 million barrels per day to 101.9 million total barrels per day in 2023
- Tight supply, modest production and growing demand indicate ongoing investment
- Energy security spurring investment, projects, partnerships and increased offshore exploration
- Focus on decarbonization supporting R&D and ongoing investment across the space



Notes: ¹Based on exploration drilling forecast combined with tree forecasts from Rystad Energy

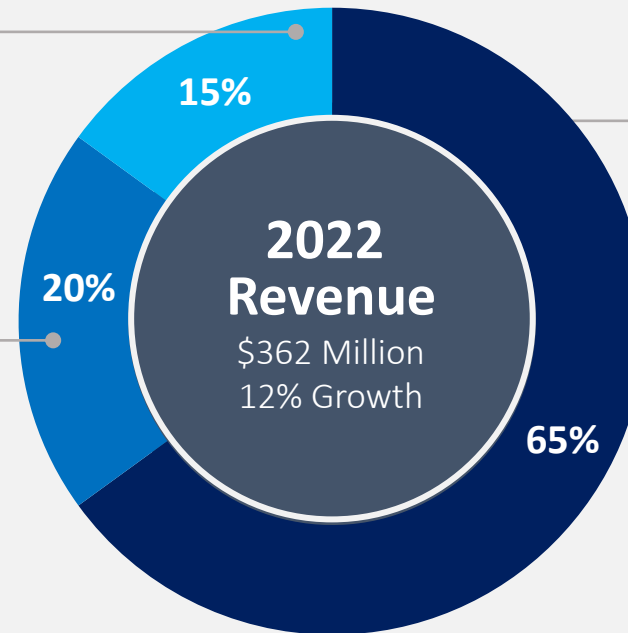
Dril-Quip is well positioned to capitalize on a constructive offshore market with strong growth trends in Brazil, the Middle East, Norway, Latin America, and in reemerging markets such as West Africa.

Asia-Pacific

- Represented 15% of total revenue for FY 2022
- Upswing in activity in the region, particularly in Middle East is expected to drive demand for subsea products and well construction

Eastern Hemisphere

- Represented 20% of total revenue for FY 2022
- Long-term CCUS potential through our partnership with Aker Solutions
- Activity in Norway is seeing an uptick in demand due to energy security concerns

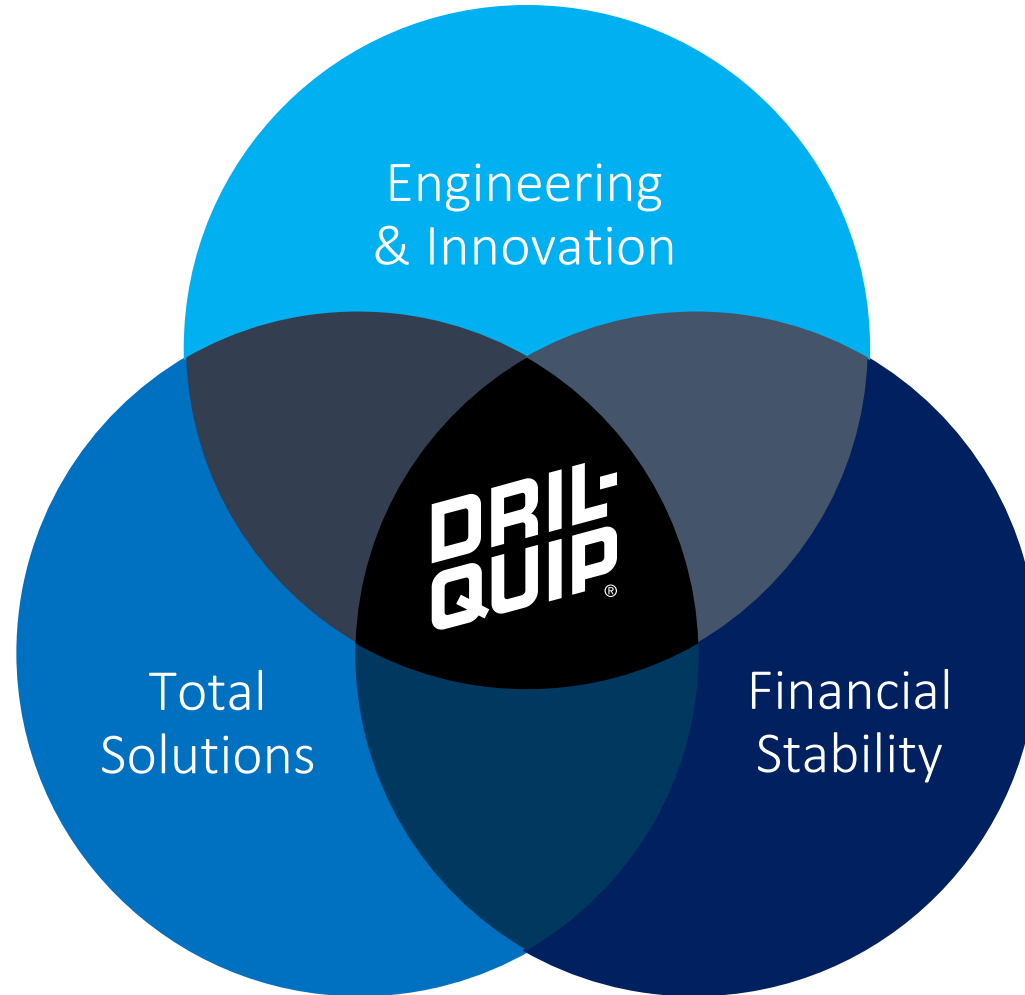


Western Hemisphere

- Represented 65% of total revenue for FY 2022
- Strong growth in Brazil from Petrobras, which plans to invest \$78 billion between 2023 – 2027 with plans to drill ~350 wells
- Guyana and Suriname in the early stages of development for DRQ with follow on orders expected in 2023 and beyond

Notes:

1. Western Hemisphere includes North and South America
2. Eastern Hemisphere includes Europe and Africa
3. Asia-Pacific includes Pacific Rim, Southeast Asia, Australia, India, and the Middle East



- **Highly engineered, innovative solutions** designed to withstand the harshest subsea environments, saving customers time and money on rigs
- Award-winning drilling and production products and services are utilized to **provide total solutions for offshore field developments**
- Long operating history and a clean balance sheet with zero debt provides **strong financial stability**

Footprint Rationalization

\$5 million - \$10 million expected annual savings

Additional progress has been made on footprint optimization plan to improve efficiency and reduce excess capacity

- Closed on the sale of Houston aftermarket facility for gain on sale of \$6.7 million
- On track for the sale of a third Houston property during 2023

Manufacturing Investments

~35% Gross Margins Improvement

\$10 million - \$15 million expected annual savings

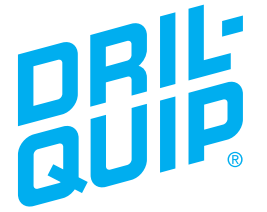
Through operational excellence initiatives and realignment efforts, foundation of strong product-line focused teams have been established

- Provides greater visibility, accountability, and improved ability to make smart, high ROI investment decisions
- Approved \$22 million wellhead manufacturing AFE - expected delivery in Q4'23 will drive savings

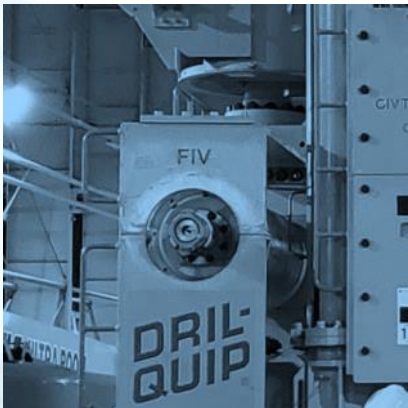
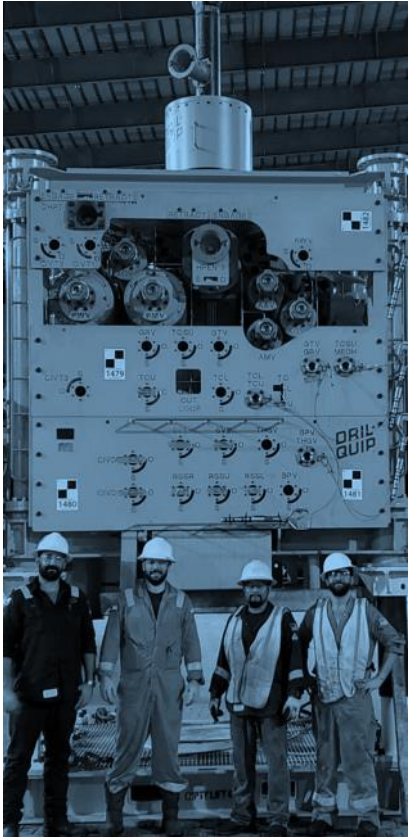
2023

2023 Exit

2024 Exit

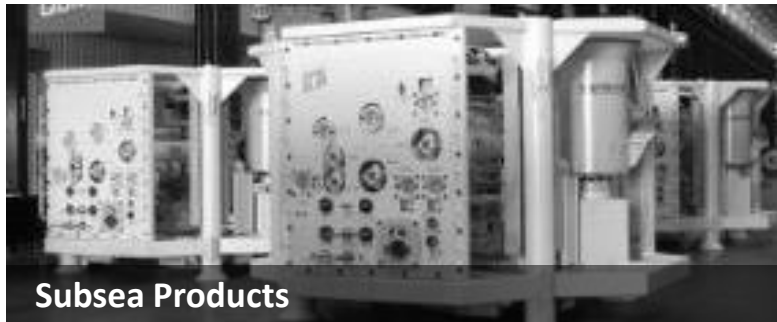


Strategic Operating Products & Services



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Dril-Quip is in the process of streamlining operations and leadership around more focused and integrated product and service lines in a manner that aligns with the strategy.



*Market leader in subsea wellhead equipment and technology, manufacturing highly engineered, **field-proven products with wide array of deepwater drilling** equipment and technology that meets the requirements for **harsh subsea environments***



*Provider of **high-level aftermarket support** and technical services with field technicians that support the **full lifecycle management** of regulatory and industry standards, as well as offering clients **comprehensive industry training programs***



*Drilling and productions solutions provider for **onshore and offshore** markets, supplying **consumable and rental well construction** products for the global energy market and offering highly experienced personnel with **extensive operational knowledge and engineering expertise***

Business supported by Dril-Quip's expansion into high-growth decarbonization opportunities in our Energy Transition offering longer term.

Robust Product Offering | Equipment

Wide range of innovative products serving the energy industry, even in the harshest environments.

SUBSEA EQUIPMENT

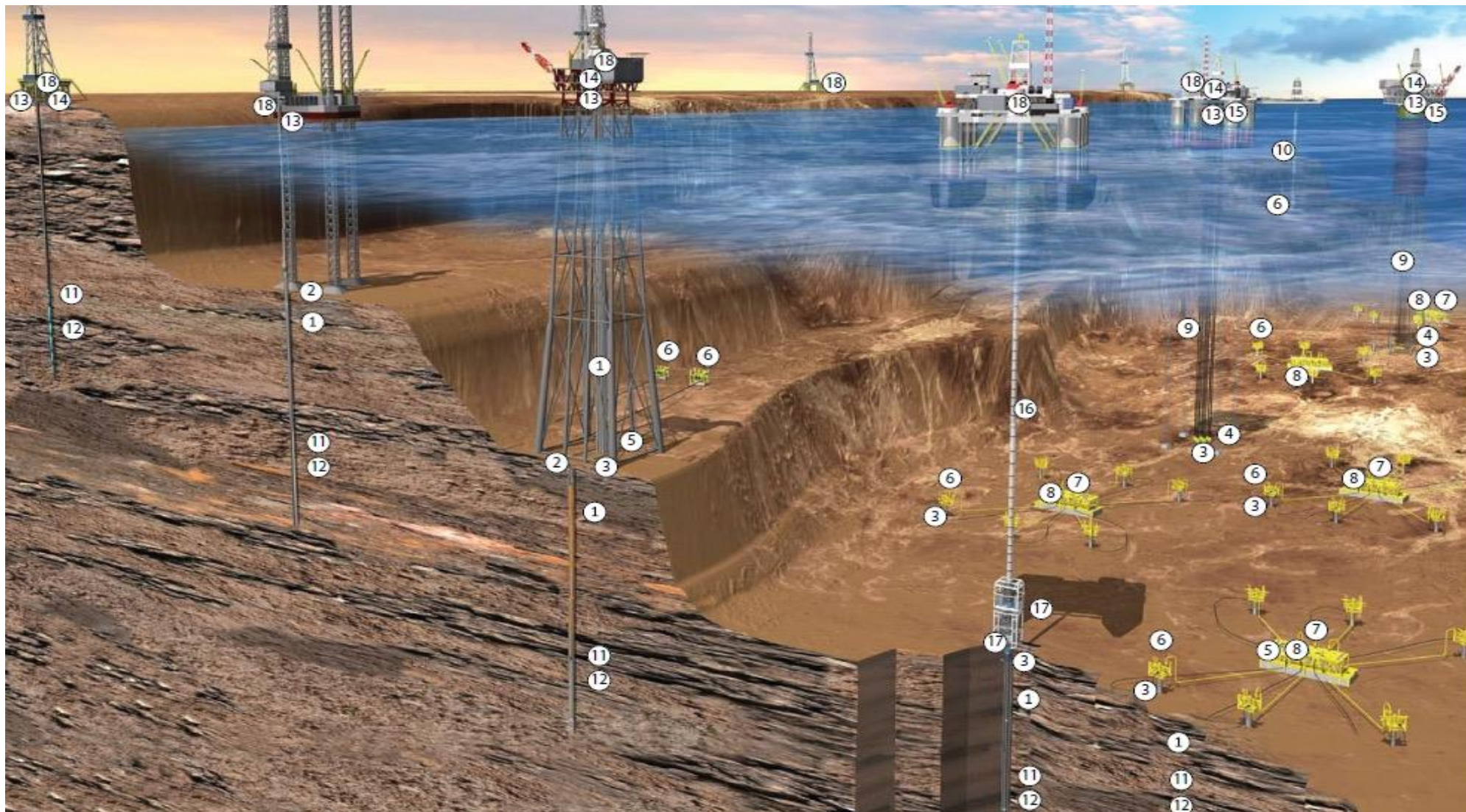
- ① Specialty Connectors
- ② Mudline Suspension
- ③ Subsea Wellheads
- ④ Tie-Back Connectors
- ⑤ Template Systems
- ⑥ Subsea Trees
- ⑦ Control Systems
- ⑧ Subsea Manifolds
- ⑨ Production Risers
- ⑩ Completion Risers
- ⑪ Liner Hangers
- ⑫ Downhole Tools

SURFACE EQUIPMENT

- ⑬ Surface Wellheads
- ⑭ Surface Trees
- ⑮ Riser Tensioners

OFFSHORE RIG EQUIPMENT

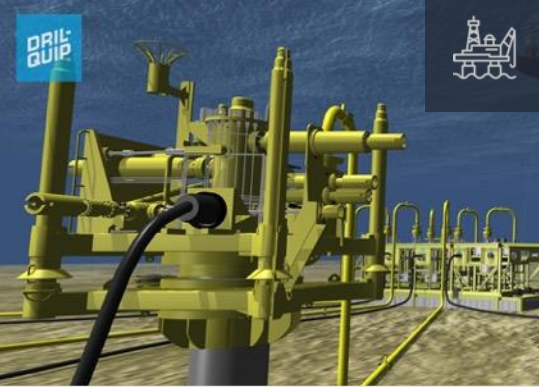


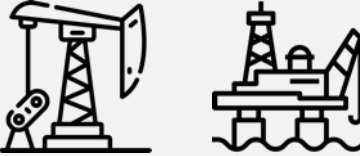


- ⑯ Drilling Risers
- ⑰ BOP Stack Connectors
- ⑱ Diverters



Our Business | Portfolio Positioned for Both On- & Off-shore



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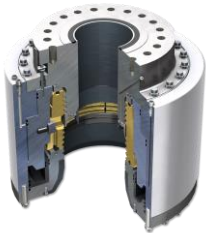
PRODUCTS & SERVICES		EXPOSURE	PRIMARY MARKETS	
SUBSEA PRODUCTS	 <ul style="list-style-type: none"> • Subsea Wellheads • Specialty Connectors & Associated Pipes • Subsea Production Systems • Mudline Hanger Systems • Production Riser Systems • Dry Tree Systems • Subsea Manifolds 		<ul style="list-style-type: none"> • U.S. Gulf of Mexico, Mexico, Brazil, Trinidad & Tobago • United Kingdom, Norway • Saudi Arabia, Ghana • China, Indonesia, Australia 	<p>54%</p> <p>2022 % OF TOTAL REVENUE</p>
WELL CONSTRUCTION	 <ul style="list-style-type: none"> • Liner Hangers & Expandable Liner Systems • Specialty Well Construction • Completion Packers • Safety & Kelly Valves • Window Cutting Products • Rental & Service 		<ul style="list-style-type: none"> • Deepwater Gulf of Mexico • Latin America <ul style="list-style-type: none"> – Brazil – Ecuador – Mexico – Guyana • Saudi Arabia 	<p>20%</p> <p>2022 % OF TOTAL REVENUE</p>
SUBSEA SERVICES	 <ul style="list-style-type: none"> • Technical Advisor Assistance • Leasing of Subsea Equipment • Reconditioning • Storage & Maintenance • Rental Tools 		<ul style="list-style-type: none"> • U.S. Gulf of Mexico, Mexico, Brazil, Trinidad & Tobago • United Kingdom, Norway • Saudi Arabia, Ghana • China, Indonesia, Australia 	<p>26%</p> <p>2022 % OF TOTAL REVENUE</p>

Manufacturer of highly engineered, field-proven products with a wide array of deepwater drilling equipment and technology that meets the requirements for harsh subsea environments.



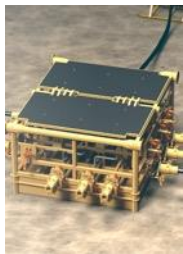
Wellheads

- Field-proven wellhead system specially designed to meet the many challenges of working in shallow or deep-water environments and shallow or ultra-deep well applications



Connectors & Surface Equipment

- Specialty connector suite of products that meet the varying casing challenges faced across well applications.
- Solutions focused surface and capital drilling equipment that offer the appropriate balance of technology and economy.



Subsea Production Systems

- Innovative drilling and production products providing comprehensive field development solutions
- Production Trees, Manifolds, Connection & Control Systems, Production PLEM's, PLET's, Flowline Jumpers

Initiatives & Accolades

- 673 Patents
- Tier 1 wellhead provider
- Executing collaboration agreements
- Targeting shallow water and CCUS opportunities through SBTe offering

Provider of high-level aftermarket support and technical services with field technicians that support the full installation and lifecycle management of regulatory and industry standards, as well as offering industry training programs.



Aftermarket Capabilities

- Partners with customers throughout the lifecycle including full installation, strip-down, inspection, testing, assembly capabilities
- In-house machining capabilities for manufacturing and repairing from the smallest components to full subsea tree blocks
- Comprehensive engineering, project and back-office support functions for seamless and continuous customer support
- Ability to serve customers and projects in the harshest environments

Initiatives & Accolades

- Highly reactive support for equipment installation
- Global network of trained technicians and specialized tooling
- Dedicated facilities for refurbishment and rework

Our Business | Well Construction Profile

Well Construction provides solutions for onshore and offshore markets, supplying consumable and rental products for the global energy market and offering highly experienced personnel with extensive expertise.



Big Bore Expandable Liner Hangers -XPak De®

- Disruptive new product introduction
- Converting market from wellhead equipment
- Can be run with any wellhead provider
- Improved margins and revenue volume
- Excellent customer value proposition

Expandable Liner Hangers – XPak™

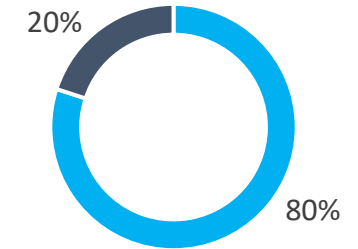
- Features innovative liner top anchor/sealing device, providing unmatched reliability
- Robust system suitable for HTHP and challenging applications
- Established technology with limited competitors

Conventional Liner Hangers

- Established field-proven products are widely accepted

Casing Hardware & Well Services

- Providing accessories to liner hanger operations & long-string cementing
- Well intervention and slot recovery
- Tubular Running Services



■ International Onshore ■ Deepwater

Initiatives & Accolades

- 382 Patents
- Gaining share in key markets (Brazil, Guyana, US, Mexico)
- Converting from conventional to expandable liner hangers
- Focus on expanding presence in Saudi Arabia
- Targeting \$100M annual revenue run-rate

Energy Transition | Long-Term Opportunity



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Helping our customers adapt and evolve to the Energy Transition, while positioning DRQ to support these long-term, robust opportunities.

Positive reduction of carbon footprint

- Measurement/audit of carbon footprint across our product portfolio
- Next generation Power of e™ incorporating Green by Design™

Carbon conscious R&D

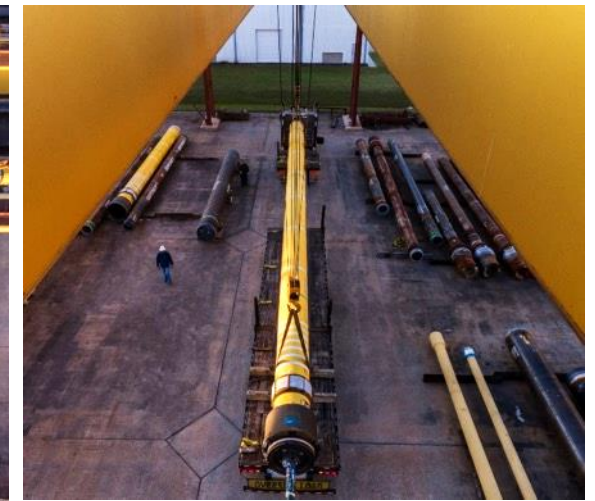
- Measurement of carbon footprint reduction per project
- Carbon footprint decision metric incorporated across operations
- Next generation Power of e™ incorporating Green by Design™ innovation philosophy

Low Carbon Solutions

- Focus on CCUS markets
- Positive impact to carbon footprint through innovative technology application
- Develop adjacent markets to derive value

eVolving industry

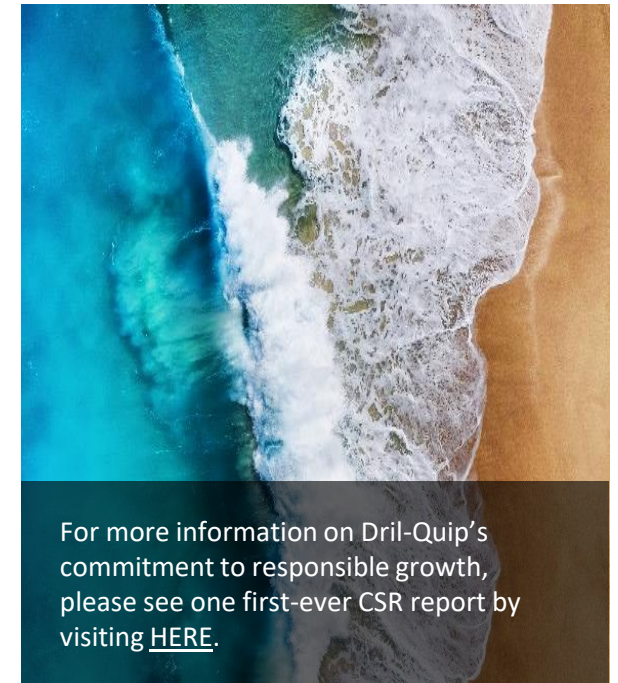
- Less steel/materials
- Less transportation
- Efficient operations
- Effective manufacturing
- Increased competitiveness
- Lower carbon footprint



At Dril-Quip, we believe technological innovation is key to improving energy efficiency and providing people around the world with universal access to reliable, affordable, clean energy. By doing so, we seek to stimulate economic growth and enhance the standard of living for all, improving health and creating employment opportunities globally.

With an “A” rating from MSCI ESG, Dril-Quip’s approach to developing products that align with our commitment to UN Sustainable Development Goals (SDGs) is straightforward:

- We continuously **engage** with customers to understand their strategic priorities around energy efficiency and carbon emission reduction.
- We **invest** heavily in R&D as innovation has been central to technologies we have been bringing to the marketplace since 1981 and incorporate the evaluation of climate change risks and opportunities in our R&D processes.
- We **innovate** based on customer feedback and continuously improve our product portfolio.
- We **empower** customers to minimize health and safety risks while reducing their carbon footprint.
- We **support** our local communities by fostering the availability of clean, affordable energy to all.





Financial Performance



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Recent Highlights | First Quarter 2023



Ongoing upcycle in the offshore market continues to create strong demand

- 9% year-over-year revenue growth in Q1
- Announced segment reporting changes to align with the Company's strategy and create better visibility into the business
- Progress continues to be made on organic improvement initiatives
- Closed on sale of Houston aftermarket facility during Q1, and the Company remains on track for the sale of a third Houston property by the end of 2023
- Successfully installed two 15,000 psi HorizontalBore™ Subsea Trees at the Woodside Shenzi North oil and gas field in the U.S. Gulf of Mexico in collaboration with global controls technology company Proserv

First Quarter
Revenue \$90.9 Million +9% YoY
Net Income \$2.3 Million +11.2 Million YoY
Adjusted EBITDA \$8.8 Million +\$3.2 Million YoY
Bookings \$53.5 Million -20% YoY
Gross Margin 28% +489 BPs YoY

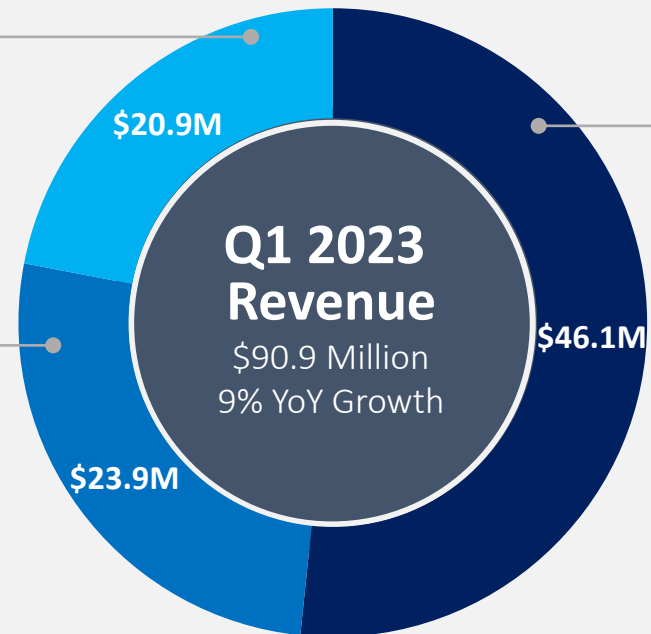
New operating segments effective Q1 2023 provides better visibility into Dril-Quip's business and aligns financial reporting with the Company's internal operating structure

Well Construction

- 38% YoY growth
- Includes: Liner Hangers & Expandable Liner Systems, Specialty Downhole Tools, Completion Packers, Safety & Kelly Valves, Window Cutting Products, and Rental & Service

Subsea Services

- 10% YoY growth
- Includes: Technical Advisor Assistance, Leasing of Subsea Equipment, Reconditioning, Storage & Maintenance, and Rental Tools



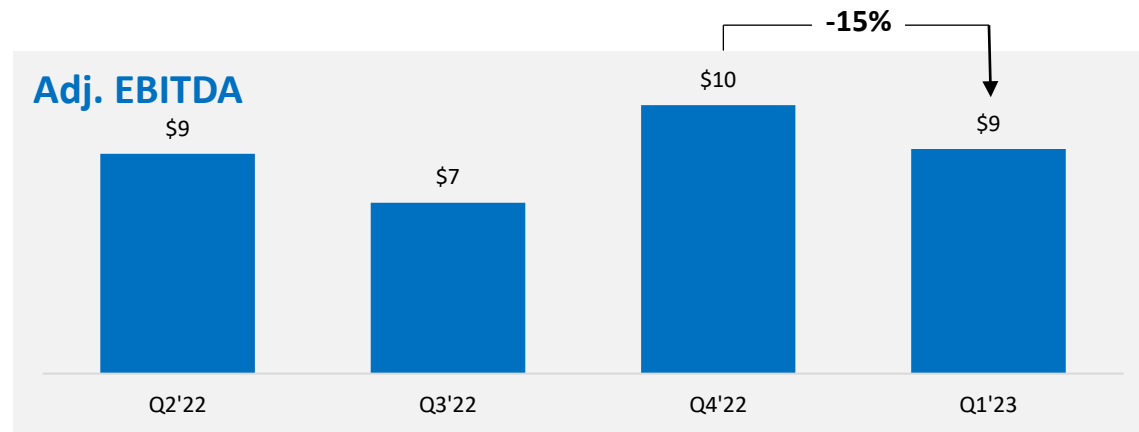
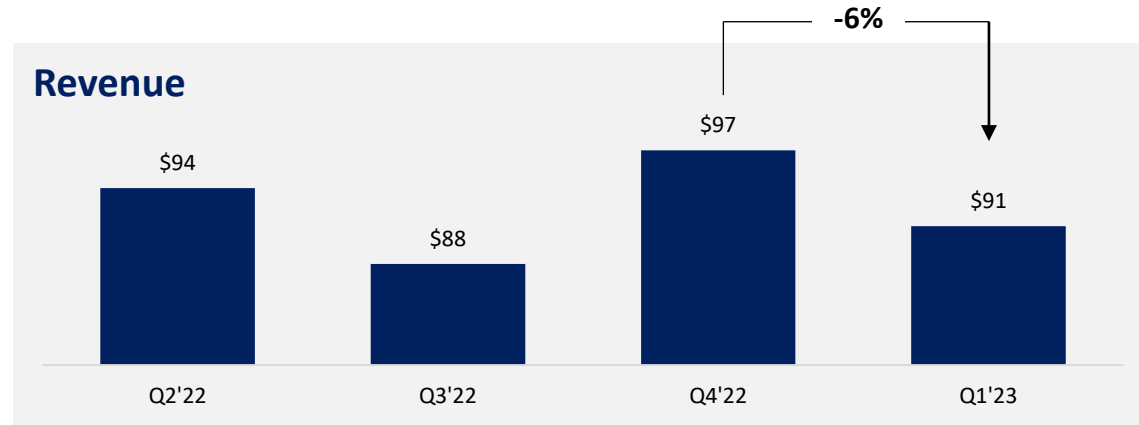
Subsea Products

- In-line with prior year
- Includes: Subsea Wellheads, Specialty Connectors & Associated Pipes, Subsea Production Systems, Mudline Hanger Systems, Production Riser Systems, Dry Tree Systems, and Subsea Manifolds

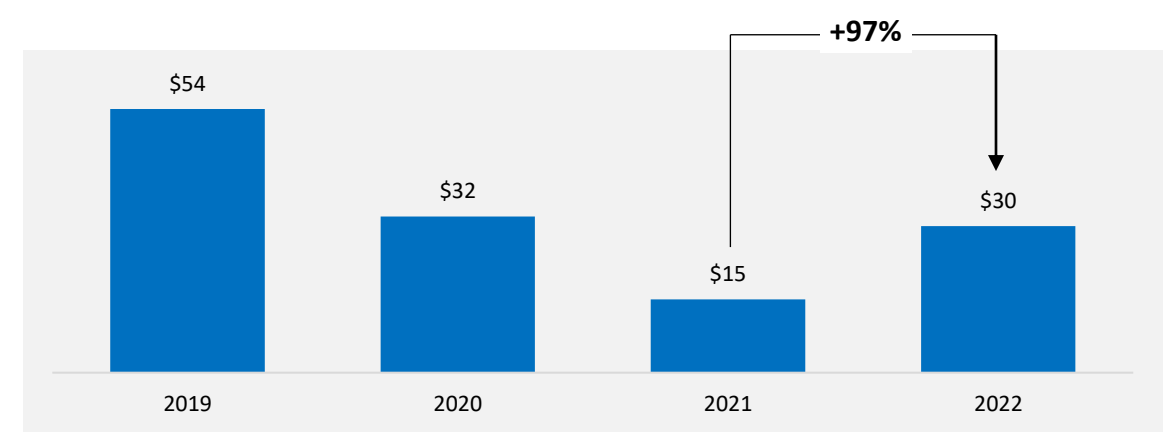
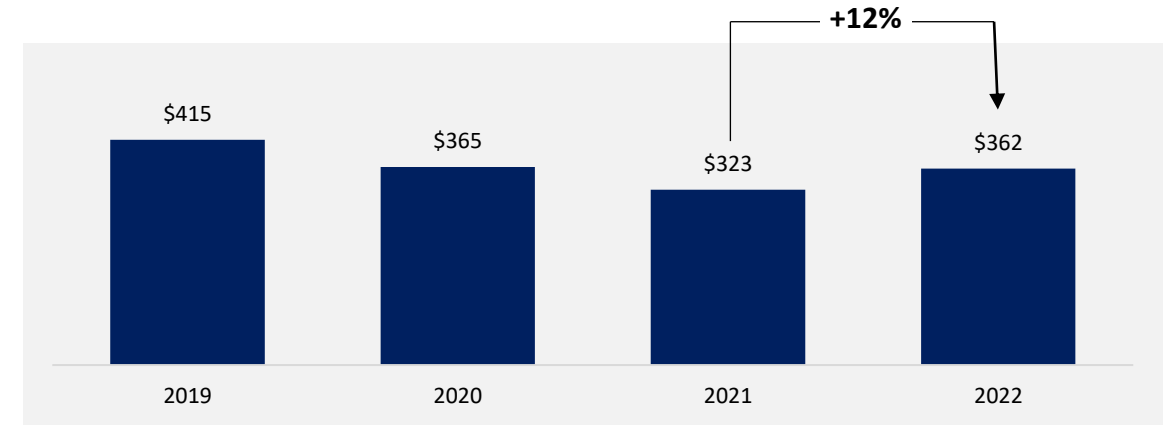
Financial Results | Quarterly and Full Year



Quarter (USD\$ millions)



Full Year (USD\$ millions)

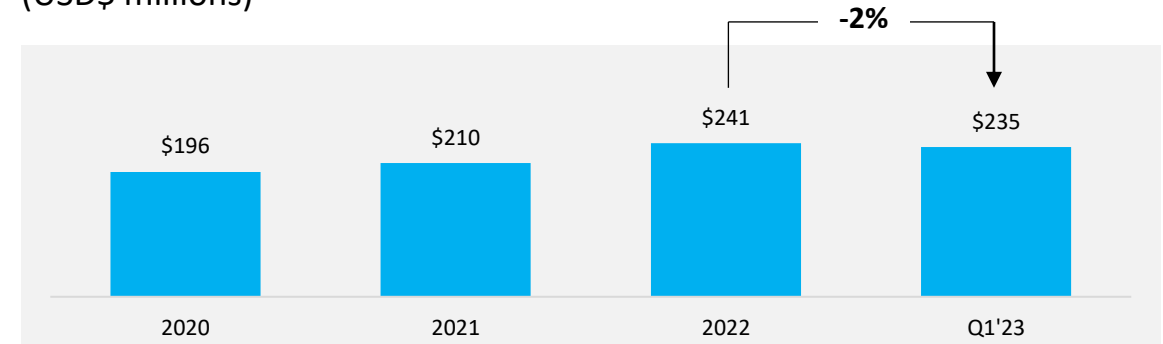


Note: Sum of components may not foot due to rounding. Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation to GAAP measure.

- Backlog for Q1'23 decreased by 2% compared to Q4'22 and increased by 6% year-over-year as product bookings increased due to improving market conditions.
- Expected to fill ~70% - 80% of current backlog in 2023, with the remaining amount consisting of longer-term projects
- Dril-Quip currently has ~70 open MSAs

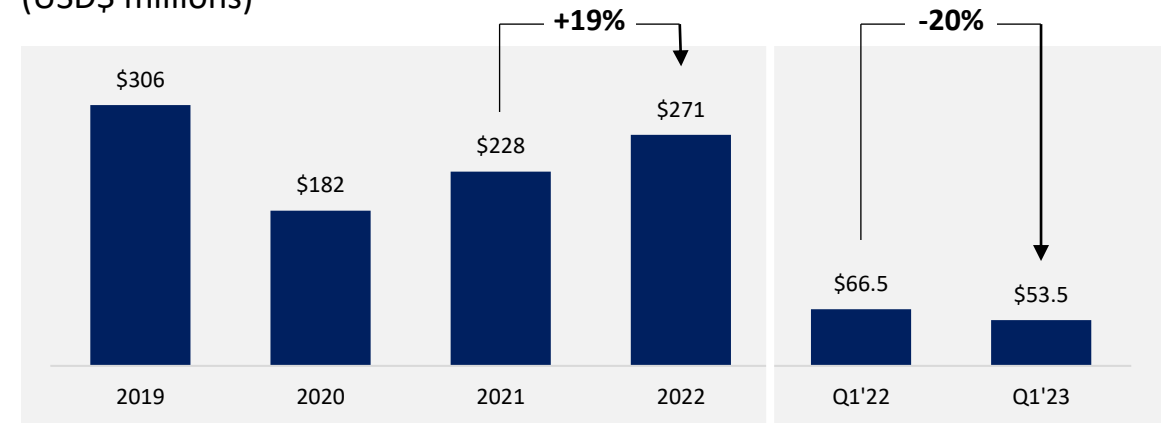
Historical Backlog Trends

(USD\$ millions)



Historical Booking Trends

(USD\$ millions)



Strong balance sheet with ample liquidity and zero debt provides flexibility to support our growth strategy.



1: As of March 31, 2023

Demonstrating financial discipline in the pursuit of high-return opportunities that support long-term growth, while preserving our balance sheet strength and financial flexibility.

1 High Return Organic Investments	2 Disciplined M&A	3 Preserve Financial Flexibility	4 Shareholder Returns
<ul style="list-style-type: none">• Prioritize investment into high ROI projects• Support organic growth initiatives• Manufacturing, R&D, etc.	<ul style="list-style-type: none">• Technology bolt-ons to enhance existing business• Deals of scale that align with selective M&A criteria• Diversifying end market exposure with energy adjacent opportunities	<ul style="list-style-type: none">• Working capital to support operations growth• Free cash flow generation focused• Continue to maintain strong balance sheet	<ul style="list-style-type: none">• Focused on delivering sustainable, long-term growth• Return cash to shareholders as appropriate

Primary considerations for disciplined M&A



STRATEGIC CRITERIA

- Increases scale of operations
- Expanded geographic footprint
- Aligns with DRQ core competencies



FINANCIAL CRITERIA

- Above average long-term growth projections
- Capable of delivering consistently high margins
- High return on capital



ACQUISITION TARGETS

- Technology bolt-ons to enhance existing business
- Deals of scale that aligns with selective M&A criteria
- Diversifying end market exposure with energy adjacent opportunities

Well positioned to continue to capitalize on the constructive offshore drilling market in 2023.

ANNUAL REVENUE	PRODUCT BOOKINGS	ADJUSTED EBITDA	CAPITAL EXPENDITURES
10% Growth over 2022	10% to 20% Growth over 2022	40% to 60% Incremental Margins	\$25 million to \$30 million



Appendix

dril-quip.com | NYSE: DRQ

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Management | Result Driven Management Team



Jeffrey J. Bird
President and
Chief Executive Officer



Kyle F. McClure
Vice President and
Chief Financial Officer



Stephen J. Chauffe
Vice President —
Well Construction



John Mossop
Vice President —
Technology and
Energy Transition



Mahesh R. Puducheri
Vice President —
Chief Human
Resources Officer



Mark Tripsa
Vice President —
Integrated Supply Chain



Don M. Underwood
Vice President —
Subsea Products



James C. Webster
Vice President, General
Counsel and Secretary



Bruce Witwer
Vice President —
Subsea Services

Financial Statements | Income Statement



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Dril-Quip, Inc.
Comparative Condensed Consolidated Income Statement
(Unaudited)

	Three months ended		
	March 31, 2023	December 31, 2022	March 31, 2022
(In thousands, except per share data)			
Revenues:			
Products	\$ 59,246	\$ 64,713	\$ 55,642
Services	21,281	21,657	17,499
Leasing	10,338	10,444	9,996
Total revenues	90,865	96,814	83,137
Costs and expenses:			
Cost of sales	65,502	66,567	63,995
Selling, general and administrative	22,585	26,877	22,393
Engineering and product development	3,399	2,699	3,676
Restructuring and other charges	1,718	3,466	32
Gain on sale of property, plant and equipment	(6,647)	(2,249)	(114)
Foreign currency transaction (gain) loss	1,120	1,818	(1,254)
Total costs and expenses	87,677	99,178	88,728
Operating income (loss)	3,188	(2,364)	(5,591)
Interest income	2,827	3,310	203
Interest expense	(80)	68	(54)
Income tax provision	3,624	1,266	3,496
Net income (loss)	\$ 2,311	\$ (252)	\$ (8,938)
Income (Loss) per share			
Basic	\$ 0.07	\$ (0.01)	\$ (0.26)
Diluted	\$ 0.07	\$ (0.01)	\$ (0.26)
Depreciation and amortization	\$ 6,889	\$ 7,079	\$ 7,559
Capital expenditures	\$ 5,424	\$ 5,154	\$ 2,066
Weighted Average Shares Outstanding			
Basic	34,128	34,038	34,494
Diluted	34,489	34,038	34,494

Dril-Quip, Inc.
Comparative Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2023	December 31, 2022
(In thousands)		
Assets:		
Cash and cash equivalents	\$ 235,343	\$ 264,804
Short-term investments	18,921	32,232
Other current assets	497,847	455,552
PP&E, net	183,285	181,270
Other assets	40,000	38,657
Total assets	\$ 975,396	\$ 972,515
Liabilities and Equity:		
Current liabilities	\$ 83,360	\$ 87,555
Deferred Income taxes	4,025	3,756
Other long-term liabilities	7,633	6,288
Total liabilities	95,018	97,599
Total stockholders equity	880,378	874,916
Total liabilities and equity	\$ 975,396	\$ 972,515

Dril-Quip, Inc.
Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) per Share
and Adjusted Diluted Earnings (Loss) per Share

Adjusted Net Income (Loss) and EPS:

	Three months ended					
	March 31, 2023		December 31, 2022		March 31, 2022	
	Effect on net income (loss) (after-tax)	Impact on diluted earnings (loss) per share	Effect on net income (loss) (after-tax)	Impact on diluted earnings (loss) per share	Effect on net income (loss) (after-tax)	Impact on diluted earnings (loss) per share
	(In thousands, except per share amounts)					
Net income (loss)	\$ 2,311	\$ 0.07	\$ (252)	\$ (0.01)	\$ (8,938)	\$ (0.26)
Adjustments (after tax):						
Reverse the effect of foreign currency transaction (gain) loss	885	0.03	1,436	0.04	(991)	(0.03)
Restructuring and other costs, including severance	1,357	0.04	2,738	0.08	25	-
Gain on sale of property, plant and equipment	(5,251)	(0.15)	(1,777)	(0.05)	(90)	-
Adjusted net income (loss)	<u>\$ (698)</u>	<u>\$ (0.01)</u>	<u>\$ 2,145</u>	<u>\$ 0.06</u>	<u>\$ (9,994)</u>	<u>\$ (0.29)</u>



Dril-Quip, Inc.
Reconciliation of Net Income (Loss) to Adjusted EBITDA

<u>Adjusted EBITDA:</u>	Three months ended		
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
	(In thousands)		
Net income (loss)	\$ 2,311	\$ (252)	\$ (8,938)
Add:			
Interest (income) expense, net	(2,747)	(3,378)	(149)
Income tax provision (benefit)	3,624	1,266	3,496
Depreciation and amortization expense	6,889	7,069	7,559
Restructuring and other costs, including severance	1,718	3,466	32
Gain on sale of property, plant and equipment	(6,647)	(2,249)	(114)
Foreign currency transaction (gain) loss	1,120	1,818	(1,254)
Stock compensation expense	2,577	2,694	2,527
Adjusted EBITDA	<u>\$ 8,845</u>	<u>\$ 10,434</u>	<u>\$ 3,159</u>



Dril-Quip, Inc.
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

<u>Free Cash Flow:</u>	Three months ended		
	March 31, 2023	December 31, 2022	March 31, 2022
	(In thousands)		
Net cash used in operating activities	\$ (52,920)	\$ (17,604)	\$ (10,928)
Less:			
Purchase of property, plant and equipment	(5,424)	(5,154)	(2,066)
Free cash flow	<u>\$ (58,344)</u>	<u>\$ (22,758)</u>	<u>\$ (12,994)</u>

Market Capitalization	=	Share Price x Total Shares Outstanding
Enterprise Value	=	Market Capitalization + Debt – Cash and Cash Equivalents
Non-cash Working Capital	=	(Current Assets – Cash) – Current Liabilities
Book Value / Share	=	Total Shareholders' Equity / Total Shares Outstanding
Cash / Share	=	Cash, Cash Equivalents & Short-Term Investments / Total Shares Outstanding
Non-cash Working Capital (WC) / Share	=	Noncash Working Capital / Total Shares Outstanding
Total Debt / Capitalization	=	Total Debt (Short-term + Long-term) / (Total Debt + Total Shareholders' Equity)

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